

## Appendix A

### CALCULATING PROPERTY VALUES FOR NCO STEWARDSHIP GRANTS

- I. When property has been owned by a landowner for MORE THAN THREE YEARS**, the acquisition cost of the property shall be based on the current fair market value of the property as determined by appraisal.

**Note:** When the landowners are joint tenants or tenants in common and the landowners have held title for differing lengths of time, the ownership date shall be the earliest date of ownership. Example: transfer to a spouse

- II. For property that has been owned by a landowner for LESS THAN THREE YEARS**, the acquisition cost of the property shall be based on the following:

- A. When the property being sold to the project sponsor is the same as the property acquired by the landowner: ["Same" means same size, physical condition, and same property interests being sold.]

| Number of Years Property Owned by Landowner | Basis For Determining Land Value |
|---|----------------------------------|
| Less than 1 year                            | Price landowner paid             |
| More than 1 year, less than 2               | Price landowner paid plus 5%     |
| More than 2 years, less than 3              | Price landowner paid plus 10%    |

**Note:** It is not necessary to submit an appraisal for a property owned by the landowner for less than three years if the property is valued at \$200,000 or less. However, according to the law, if the property is valued at over \$200,000 the Sponsor must submit an appraisal (and the Department must order a 2<sup>nd</sup> appraisal) even if the grant amount must be based on the price the landowner paid for the property, not the appraised value.

- B. When the property being sold to the project sponsor is the same as the property acquired by the landowner, and the landowner acquired it by:
- 1) gift or devise (by inheritance)
  - 2) means other than traditional sale, gift or devise, or a landowner's acquisition price cannot be ascertained (e.g. foreclosure, trade lands)

| Number of Years Property Owned by Landowner | Basis For Determining Land Value  |
|---|---|
| Less than 1 year                            | Appraised value at the time the landowner acquired the property         |
| More than 1 year, less than 2               | Appraised value at the time the landowner acquired the property plus 5% |
| More than 2 years, less than 3              | Appraised value at time the landowner acquired the property plus 10%    |

- C. When the property or property interests being sold to the project sponsor is fundamentally different than the property acquired by the landowner, for example:

- (1) Purchase of fee title by landowner and sale of easement to project sponsor.
- (2) Purchase of acreage X (e.g. 40 acres) by landowner and sale of acreage Y (e.g. 20 acres) to project sponsor.
- (3) The landowner has made a material change to the property since he or she acquired it, such as brownfield remediation or harvesting the trees.

| Number of Years Property Owned by Landowner | Basis For Determining Land Value |
|---|----------------------------------|
| Any   | Current appraised value          |